GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2406
ANSWERED ON:04.08.2015
Production of Ethanol
Marutharajaa Shri R.P.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to promote use of ethanol as an alternative fuel in the country;

(b) if so, the details thereof including the cost of production of ethanol;

(c) the quantity of ethanol produced in the country during the last three years and the current year and the projected demand and supply of ethanol by the end of the 12th Five Year Plan;

(d) whether the Government has received any complaints against the operators of sugar mills and oil marketing companies relating to the pricing of ethanol blended petrol and if so, the details thereof and the action taken by the Government in this regard; and

(e) the measures taken by the Government to augment production and use of ethanol in the country?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) & (b): Yes, Madam. The National Policy on bio-fuels, announced in December, 2009 aims at bringing about accelerated development and promotion of the cultivation, production and use of bio-fuels including bio-ethanol to increasingly substitute petrol and diesel for transport and other applications. As per Industry sources, the production cost of ethanol produced through C-heavy route from molasses is Rs. 39.85 per litre.
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(c): Production of ethanol is linked to the production of molasses which is a by-product during production of sugar. The details of alcohol/ethanol manufactured from molasses during 2011-12, 2012-13, 2013-14 and the current year, as received from industry sources, are annexed. Estimates of demand and supply of ethanol by the end of 12th Five Year Plan i.e. for the year 2016-17, are not available.

(d): Representations have been received from the Chemical Industry against the pricing of ethanol for Ethanol Blended Petrol (EBP) programme. Presently, the matter is sub-judice.

(e): The Government is promoting various Research and Development (R&D) programmes for developing bio-fuel technologies, particularly second generation bio-fuel technologies for production of ethanol from lingo-cellulosic materials. With a view to increase production of ethanol, the Government is also providing soft loans of up to 40% of the project cost to the sugar mills for setting up ethanol projects. Besides, policy for procurement of ethanol under the Ethanol Blending Programme (EBP) has been modified to smoothen the entire ethanol supply chain and to provide remunerative price of ethanol. It has also been decided to waive central excise duty on ethanol supplied to Oil Marketing Companies (OMCs) by sugar mills for EBP for the ensuing 2015-16 sugar season.

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